

House Study Bill 244

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL
BY CHAIRPERSON MASCHER)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning the deferred retirement option plan under the
2 municipal fire and police retirement system of Iowa and
3 providing an effective date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1937HC 83
6 ec/nh/8

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1 1 Section 1. MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM ==
1 2 DEFERRED RETIREMENT OPTION PLAN == EXTENSION OF PLAN
1 3 PARTICIPATION PERIOD.
1 4 1. Notwithstanding any provision of chapter 411 to the
1 5 contrary, an eligible member of the municipal fire and police
1 6 retirement system who has elected to participate in the
1 7 deferred retirement option plan as created in section 411.6C
1 8 as of the date the system has received a favorable ruling from
1 9 the internal revenue service regarding this section and who
1 10 has not terminated their participation in the plan as of the
1 11 readjustment period shall have the option, during the
1 12 readjustment period, to extend the member's participation in
1 13 the plan by one year, up to a maximum of five years
1 14 participation in the plan, upon written application with the
1 15 retirement system. However, the option may only be exercised
1 16 if the employer of the eligible member has authorized all
1 17 eligible employees of the employer to exercise the option
1 18 provided in this section. For purposes of this section, the
1 19 readjustment period shall be a one-time period of three months
1 20 as established by the board of trustees for the municipal fire
1 21 and police retirement system.
1 22 2. This section shall not be implemented until the system
1 23 has received a favorable ruling from the internal revenue
1 24 service regarding this section. Upon receiving the favorable
1 25 ruling, the board of trustees of the system shall establish,
1 26 as expeditiously as possible, the readjustment period.
1 27 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
1 28 immediate importance, takes effect upon enactment.

EXPLANATION

1 29 This bill provides that an eligible member of the municipal
1 30 fire and police retirement system of Iowa (MFPRSI) who is
1 31 participating in the deferred retirement option plan (DROP)
1 32 but has not terminated their participation in DROP as of a
1 33 specified readjustment period has the option to extend their
1 34 participation in the plan by one year, up to a maximum of five
2 1 years, during that readjustment period. However, the bill
2 2 provides that the option may only be exercised if the
2 3 applicable employer agrees that all eligible employees may
2 4 take the option. The bill provides that the readjustment
2 5 period shall be a one-time three-month period which shall be
2 6 established by the MFPRSI board once the system receives a
2 7 favorable determination from the internal revenue service that
2 8 the provisions of the bill can be implemented.
2 9 The bill takes effect upon enactment.
2 10 LSB 1937HC 83
2 11 ec/nh/8